

Senate File 170 - Introduced

SENATE FILE 170
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO SF 15)

A BILL FOR

1 An Act relating to bidding for purchases through a competitive
2 bidding process by the state.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8A.311, Code 2013, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 12A. *a.* If the lowest responsive bid
4 received by the state for products or other purchases is from
5 an out-of-state business and totals less than five hundred
6 thousand dollars, and an Iowa-based business submitted a bid
7 which is within five percent or ten thousand dollars of the
8 price of the lowest bid, whichever is less, the Iowa-based
9 business which submitted the lowest responsive bid shall be
10 notified and shall be allowed to match the lowest bid before
11 a contract is awarded.

12 *b.* This subsection does not apply to a request for bids or
13 proposals for products or other purchases associated with the
14 following:

15 (1) Road or bridge construction or repair.

16 (2) Architectural or engineering services.

17 *c.* This subsection does not apply to procurement of or for
18 public improvement projects.

19 *d.* For purposes of this subsection:

20 (1) "*Iowa-based business*" means an entity that has its
21 principal place of business in Iowa.

22 (2) "*Public improvement*" means a building or construction
23 work which is constructed under the control of a governmental
24 entity and is paid for in whole or in part with funds of the
25 governmental entity, including a building or improvement
26 constructed or operated jointly with any other public or
27 private agency, and including a highway, bridge, or culvert
28 project, but excluding emergency work or repair or maintenance
29 work performed by state employees.

30 NEW SUBSECTION. 12B. *a.* A response to a request for bids
31 or proposals for products or other purchases by the state which
32 totals less than five hundred thousand dollars in value shall
33 contain the following information:

34 (1) The percentage of the ownership of the submitting
35 business which is held by Iowa residents.

1 is within 5 percent or \$10,000 of the price of the lowest
2 responsive bid, whichever is less, the state shall notify
3 the in-state business which submitted the lowest responsive
4 bid and allow it to match the lowest responsive bid from the
5 out-of-state business before a contract is awarded.

6 The bill also provides that a response to a request for
7 bid or proposal for a purchase by the state which is less
8 than \$500,000 in value must contain certain information.

9 The required information is the percentage of the ownership
10 of the submitting business which is held by Iowa residents;
11 the percentage of employees who will be carrying out work
12 in connection with the contract who are Iowa residents; an
13 estimate of the percentage of purchases to be made by the
14 submitting business in connection with the contract that
15 will be made from Iowa-based businesses; and documentation
16 showing that the submitting business paid taxes, as defined
17 in Code section 445.1, in this state during the most recently
18 completed fiscal year for which such a figure is available.
19 For the purposes of determining how many employees carrying out
20 work in connection with the contract will be Iowa residents,
21 "employee" includes part-time, temporary, contract, and
22 substitute employees, and includes employees of any contractors
23 or subcontractors.

24 The bill does not apply to a request for bids or proposals
25 for products or other purchases associated with road or bridge
26 construction or repair, to a request for bids or proposals
27 for products or other purchases associated with architectural
28 or engineering services, or to procurement of or for public
29 improvement projects.

30 The bill defines "Iowa-based business" as an entity that
31 has its principal place of business in Iowa. The bill defines
32 "public improvement" as a building or construction work which
33 is constructed under the control of a governmental entity and
34 is paid for in whole or in part with funds of the governmental
35 entity, including a building or improvement constructed or

1 operated jointly with any other public or private agency, and
2 including a highway, bridge, or culvert project, but excluding
3 emergency work or repair or maintenance work performed by state
4 employees.